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THE YUGOSLAV TOBACCO INDUSTRY

The following report is based on an article in Informativni prirucnik o Jugoslaviji, a handbook published in sections since late 1948 by the Yugoslav Directorate for Information.

Tobacco cultivation and production rank among the most important economic branches in Yugoslavia. More than one million people are engaged in tobacco planting, cultivation, manufacturing, and trade. Tobacco is one of Yugoslavia's most important exports; its quality is known as one of the world's best.

INDUSTRIAL AND COMMERCIAL DISTRIBUTION OF YUGOSLAV TOBACCOS

Only 32,000 hectares of the total land area are used for tobacco cultivation. The largest area planted in tobacco is in Macedonia and the smallest is in Montenegro. In Serbia, about 8,200 hectares are planted in tobacco; in Croatia, about 1,800 hectares; in Bosnia-Herzegovina, about 6,700 hectares; in Macedonia, about 14,000 hectares; and in Montenegro, about 1,500 hectares.

The large assortment of domestic tobaccos enables the Yugoslav tobacco industry to produce almost all types of tobacco products, from snuff and raw nicotine to the most expensive cigarettes. The only raw material the Yugoslav industry does not obtain from domestic production are such famous tobaccos as those from Sumatra, Java, and Havana for the production of de luxe cigars.

There are four extensive tobacco production areas in Yugoslavia.

1. The area of Turkish tobaccos of the Macedonian type, represented by the Ksanti-Jaka (Skece), Prilep, Otlja, Blatac, and Mulaip (Proscan) tobaccos, includes not only Macedonia, but also southern Serbia.

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2. The area of large-leaf tobaccos of the Hercegovinian type, which includes the Ravnjak and Tance tobaccos extends mostly through Hercegovina, Dalmatia, and Montenegro.

3. The central, or Drina and Morava river, area produces lower-quality Macedonian and Hercegovinian tobaccos; this area includes central Serbia and eastern Bosnia (Foca, Bratunac).

4. The area of the Vojvodina tobacco type, represented by Cegedinska Ruza tobacco, includes parts of the Backa and the Banat.

The Macedonian type constitutes 56 percent of the total Yugoslav tobacco production, the Hercegovinian type 30 percent, and the Vojvodina type 14 percent.

Industrially and commercially, Yugoslav tobaccos are divided into cigarette tobaccos of the Macedonian and Hercegovinian types, cigar and pipe tobaccos of the Vojvodina type, and tobaccos for the production of raw nicotine.

Cigarette Tobaccos

Cigarette tobaccos, which comprise more than 85 percent of the total tobacco production in Yugoslavia, are classified as tobaccos for aromatizing or flavoring and as filler tobaccos.

Tobaccos of the Macedonian type, such as those grown in Strumica, Djevdjelija, Radoviste, Prilep, Kavadar, Skoplje, and Vranje, Ksanti-Jaka and Prilep types, are aromatic tobaccos for cigarette blends. The aromatic tobaccos of the Macedonian type belong to the famous Turkish aromatic tobaccos and are equal in quality to the best tobaccos of Greece, Turkey, Bulgaria, and the Black Sea area of the USSR. The general qualities required for aromatic tobaccos are small leaves, soft texture, and light color; a mild and pleasant taste; a strong aroma; and very good burning qualities. The above-mentioned tobaccos contain up to one percent of nicotine.

The Prilep type, which is especially well known for its aroma of nectar and honey, is very much in demand, especially in the US. This type includes the Strumicka and Radoviska Jaka.

The aromatic tobaccos of the Macedonian type belong to category A.

Filler tobaccos or filler material serve as the basic filler tobaccos in making cigarette blends. The following tobaccos can be placed in this group:

1. Tobaccos of category B of the Macedonian type have somewhat larger leaves, darker color, diluted aroma, and a somewhat stronger taste than those in category A. The Kumanovska Otlja (Kabakulak) is considered a very fine filler because of its light yellow color, its very mild and pleasant taste, and its easy workability.

2. Tobaccos of categories A and B of the Hercegovinian type hold a special position among Yugoslav tobaccos. They have been world famous for a long time as one of the best fillers. Moreover, these tobaccos are very good for smoking unblended, since they possess many other good qualities of the oriental tobaccos from which they originated. The general qualities of the Hercegovinian type of tobaccos are large leaves, light color, distinctive taste and aroma, excellent burning properties, and also a fine long fiber for cutting. These tobaccos are first-class for export, since they are especially suitable for making fine-cut tobaccos.

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There are two categories of Hercegovinian-type tobacco. The category A tobaccos are golden yellow or lemon colored, have a thin and pliant leaf, and have a pleasant taste, whereas the category B tobaccos have a coarser texture, are somewhat stronger, and are mostly darker in color.

3. The Drina-Morava tobaccos can be included in the category of filler tobaccos, with some exceptions. Among these tobaccos, the Bajinovac of the Jaka type, which was greatly liked and was in great demand in prewar Serbia, and the Krusevac-Aleksinac tobacco of the Mulaip type (Golodrskan) are of the Macedonian type. Both tobaccos are somewhat strong and are, therefore, blended with milder tobaccos. Bosnian tobacco of the Hercegovinian type, which is used for the same purpose, has an oval leaf, a darker color, and a coarser texture than the category B of Hercegovinian and Dalmatian tobaccos.

Cigar and Pipe Tobaccos

Yugoslavia also produces tobaccos for cheap cigars and pipe tobaccos. Much more of this type of tobacco was planted previously, but now only one type is allowed which best fits domestic and export demand; that is the Cegedinska Ruza. This tobacco has a large oval leaf, a dark color, and the specific taste and aroma suitable for cigars and pipe tobacco. Yugoslav factories successfully use this type also for the production of cheap cigarettes.

Tobaccos for Production of Raw Nicotine

Special types of tobacco, which are cultivated for the production of raw nicotine, include the Mahorka containing over 8 percent nicotine and the Kapa containing about 5 percent nicotine.

Before the war, Yugoslavia was fourth in world production of oriental tobaccos. The highest prewar production, 33,570 tons, was achieved in 1924, whereas 15,846 tons were produced in 1938, 16,926 tons in 1939, and 27,789 tons in 1940. In 1945, 7,920 tons of tobacco were produced; in 1946, 18,000 tons; in 1947, 39,350 tons; in 1948, 27,400 tons; in 1949, 25,800 tons; in 1950, 15,000 tons; and in 1951, about 28,500 tons.

Tobacco Handling for Industrial and Commercial Purposes

Treated and dried tobacco is purchased from producers in late autumn. The raw tobacco is then sorted and cured in tobacco-processing enterprises and in regional tobacco stations. The main enterprises for tobacco processing are located in the centers of the largest tobacco areas: Skoplje, Prilep, Vranje, Novi Sad, Mostar, Capljina, Imotski, and others. These enterprises are charged not only with tobacco planting, but also with sorting and curing.

Tobacco curing in Yugoslavia is done in season and out of season. Seasonal curing begins in spring, when there is optimal temperature and moisture, and terminates at the end of June. Out-of-season curing is done in special curing plants, where optimal temperature and moisture are adjusted artificially, the process of curing is accelerated and time is saved, production costs are reduced. Tobacco for domestic fabrication is mostly cured artificially. The most important curing plants in Yugoslavia are in Skoplje, Prilep, Leskovac, and Capljina. Curing plants are under construction in Novi Sad and Ljubuski.

Macedonian type tobaccos are classified into first or second zone according to quality, each zone is classified into categories A and B, each category is classified into six classes, and each class is divided into two subclasses. Hercegovina-type tobaccos are classified into similar categories, classes, and subclasses. Vojvodina-type tobaccos are classified into five classes.

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Tobacco Manufacturing

At present, tobacco is processed in ten factories, located respectively in Nis, Sarajevo, Rovinj, Ljubljana, Zagreb, Skoplje, Banja Luka, Mostar, Zadar, and Titograd. The tobacco factory in Nis has the largest capacity and the most modern machinery and technical installations. The Nis factory produces cigarettes of almost all types for domestic consumption and for export.

The factory in Rovinj has the second largest capacity and produces cigarettes, shredded tobacco for cigarettes, and tobacco extract. The factory is now being modernized.

The tobacco factory in Sarajevo was built in 1878. Cigarettes and shredded tobacco are its most important products. This factory produces Drina cigarettes and Trebinjac shredded tobacco for export.

The tobacco factory in Ljubljana, established in 1871, is the oldest in Yugoslavia. It manufactures cigars, pipe tobacco, chewing tobacco, various types of cigarettes, snuff, and tobacco extract.

The tobacco factories in Zagreb, Skoplje, Mostar, and Banja Luka are medium-sized and produce only specific types of cigarettes. Yugoslavia's smallest factories are those in Zadar and Titograd. The nicotine factory in Skoplje was built after World War II.

Yugoslav tobacco factories not only meet domestic demand, but also export needs.

TYPES OF TOBACCO PRODUCTSCigarettes

Cigarettes are classified as extra or quality, with the latter divided into four grades.

The extra group includes the following cigarettes: The Istra, made of a blend of first-class Macedonian and Hercegovinian tobaccos, is aromatic, round in shape, and is rich and full-bodied. The Jadran, a luxury cigarette with gilded tip, no longer will be produced for domestic consumption but only on order of foreign buyers.

The quality group is divided into four grades:

Grade 1 includes the following cigarettes: The Makedonija, which is a first-class cigarette of oriental type, has the intensive aroma and mild taste characteristic of Macedonian tobaccos. The Drina is a first-class and very popular cigarette, made predominantly of the best Hercegovinian tobaccos of very pleasant taste, which is in the greatest demand of all Yugoslav tobacco products. Next are the Triglav, Hercegovina, and Strumica cigarettes, which no longer will be produced for domestic consumption.

Grade 2 includes the following cigarettes: The extremely popular Morava is a very good quality aromatic cigarette, which has the dominant characteristic of Macedonian tobaccos. The Planica, a quite aromatic, special cigarette is made of a blend of excellent Yugoslav tobaccos, and is somewhat stronger in taste than the Morava. The Sutjeska is narrower in diameter but has the same characteristics as the Morava.

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Grade 3 includes the following cigarettes: The Zeta is a cigarette made of a blend of Macedonian and Hercegovinian tobaccos, strong in taste, 8 millimeters in diameter, and round. The Ibar has the same qualities as the Zeta, but is narrower in diameter.

Grade 4 includes the Drava, which is made of strong tobaccos, and the Sava, which has the same qualities as the Drava but is somewhat thinner. Both are round.

Shredded Tobacco

The Trebinjac is a de luxe shredded tobacco from the best Hercegovinian tobaccos, is golden yellow in color, and has a very pleasant, distinctive taste. The Zeta shredded tobacco has the same characteristics as the Zeta cigarette.

Pipe Tobacco

Pipe tobacco is of medium strength and is made of the best Vojvodina tobaccos.

Chewing Tobacco

Chewing tobacco, made of Vojvodina tobacco, is sausage-shaped.

Cigars

First-quality cigars include Operas and Trabukos which are fine aromatic cigars made mostly of foreign tobaccos.

The second-quality cigar is the Puerto Rico, a cigar of medium quality.

The third-quality cigar is a short, machine-made domestic cigar, made from Vojvodina tobaccos.

Snuff

Snuff is packed in packages of 50 grams each and made of tobacco scraps which are ground and processed by adding various aromatics.

Insecticides

Tobacco extract and raw concentrated nicotine are among the insecticides.

TOBACCO TRADE

Domestic Consumption

Prior to World War II, domestic tobacco consumption averaged 8,000 to 10,000 tons. Since the war, consumption has increased by about 100 percent. Average per-capita consumption is about 1.2 kilograms.

Before the war, tobacco was distributed through the Administration of State Monopolies. At present, tobacco is sold through retail, trade, and hotel and restaurant outlets. The retail network is managed by the "Dunav" Wholesale Trade Enterprise, which is under the direction of the Association of Disabled War Veterans of Yugoslavia. Tobacco is also sold through the srez associations of agricultural cooperatives.

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Consumption of tobacco products has been as follows:

<u>Year</u>	<u>Cigarettes</u> <u>(1,000)</u>	<u>Shredded</u> <u>Tobacco</u> <u>(kg)</u>	<u>Pipe</u> <u>Tobacco</u> <u>(kg)</u>	<u>Cigars</u>	<u>Chewing</u> <u>Tobacco</u> <u>(kg)</u>	<u>Snuff</u> <u>(kg)</u>	<u>Tobacco</u> <u>Extract</u> <u>/kg?</u>	<u>Raw</u> <u>Nicotine*</u>
1938	4,940,156	2,222,592	2,122,757	23,741,352	13,744	5,121	43,303	
1939	5,095,702	1,834,534	3,761,591	18,490,434	9,962	4,455	27,507	
1945	6,509,713	1,885,360	--	33,666,000	3,529	604	**	
1946	11,390,660	793,114	--	5,498,000	6,893	1,142	**	
1947	13,160,000	419,111	18,105	9,334,000	21,600	3,394	**	
1948	16,639,497	621,343	60,517	8,566,000	137,976	1,751	32,677	
1949	21,202,504	1,480,190	60,000	10,706,000	98,205	3,011	**	
1950**								

*Production of raw nicotine is about 6,000 kilograms annually.

**Data not available.

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Yugoslav tobaccos of the Macedonian type were given the name Turkish tobaccos during the Turkish occupation and were very well known on world markets as early as the second half of the 19th Century, when the first tobacco warehouses were built in Prilep, Skoplje, Veles, and Djevdjelija.

Before the war, Yugoslav tobacco was exported to the following countries (in tons):

	<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>
Czechoslovakia	3,291	3,394	3,391	2,638	3,196
Poland	1,039	--	1,633	--	--
France	1,557	--	545	253	1,911
Germany	--	239	--	--	718
Egypt	--	--	--	2	--

Since the war, Yugoslav tobacco has been exported to the following countries (in tons):

	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>Value of Exports in 1950 (1,000 dinars)</u>
USSR	2,204	2,142	3,457	8,670	1,392	--	
Czechoslovakia	--	150	1,997	2,588	--	--	
Poland	--	400	571	1,244	--	--	
Hungary	--	--	--	399	--	--	
Austria	--	102	0.1	300	874.5	1,000.6	72,538
West Germany	--	--	--	--	1,121	1,071.7	48,171
East Germany	--	--	15.8	519	266	--	
Netherlands	--	--	--	1,187	2,475	884.5	42,670
Belgium	--	--	--	234	385.4	470	10,859
France	--	--	--	1,227	4,012	3,158.6	134,988
Switzerland	--	--	--	3	10	136.8	7,317
Italy	--	--	--	1,016	--	--	
Great Britain	--	--	--	--	5.5	48.1	2,036
Sweden	--	--	--	2.5	100.5	299.8	20,340
Finland	--	--	--	69	25	50	1,915
Egypt	--	--	--	10	10	159.5	7,301

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	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	Value of Exports in 1950 (1,000 dinars)
US	--	--	0.01	333	551	81.7	6,137
Trieste	--	--	3	--	500	--	
Israel	--	--	--	--	100	--	
Tunis	--	--	--	--	50	--	
Argentina	--	--	--	--	--	475.7	34,681
Australia	--	--	--	--	--	3	19
Total	2,204	2,794	6,044	17,801	11,878	7,840	

The US is buying first-class tobacco of the Macedonian Prilep type; the Netherlands, Belgium, and, to some extent, West Germany are interested in the light and mild tobaccos of the lower grades of the Macedonian and Hercegovinian types. France buys mostly large-leaf tobaccos darker in color and having a strong smoking taste. Steady buyers of Vojvodina tobacco are France, Belgium, and Finland.

The prices of Macedonian tobaccos are considerably higher than the prices of Hercegovinian tobaccos. Because Vojvodina tobacco has a high yield per hectare, it is considerably cheaper than the other tobaccos.

In 1950, a total of 850,500 kilograms of Indian tobacco leaves valued at 10,936,000 dinars was purchased from India.

Export of Cigarettes

Exports of Yugoslav cigarettes have been as follows (in millions):

	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>
Australia	--	--	--	--	1.1
Austria	4	32.2	110.3	17.5	0.6
Belgium	--	--	--	0.6	--
Great Britain	--	--	--	0.5	--
East Germany	--	44	48.6	--	--
Italy	--	1.2	--	10.5	1.7
Trieste	23	3	--	--	--
Czechoslovakia	603	138	518	--	--
Switzerland	--	--	--	--	0.1
Sweden	--	--	--	0.5	3
Other countries	--	--	6.3	--	--
Total	630	218.4	683.2	29.6	6.5

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